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Telefax (502) 875-7059

August 27, 2012

Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

RECEIVED

AUG 27 2012

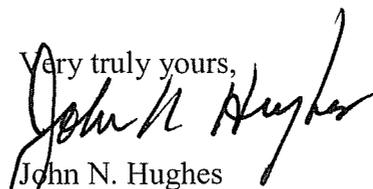
PUBLIC SERVICE  
COMMISSION

Re: KY Frontier Gas/B.T.U. Gas  
Case 2012-00099

Dear Mr. Derouen:

KY Frontier Gas, LLC, provides the letter of commitment from Community Trust Bank and the transfer documents from the U.S. Bankruptcy Court for the Eastern District of Kentucky, Case No. 10-70767, which approve the financing and acquisition of B.T.U. Gas Company by KFG and the adoption notice for Dema Gas. These documents are filed as required by the order dated June 1, 2012.

Please contact me if you have any questions about this matter.

Very truly yours,  
  
John N. Hughes  
Attorney for KFG

Attachments

ADOPTION NOTICE

The undersigned Kentucky Frontier Gas LLC  
(Name of Utility) System

of Prestonsburg, KY hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing natural gas service at Magoffin County, KY area  
(Nature of Service)

in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by DEMA Gas Company of Magoffin County, KY  
(Name of Predecessor)

and in effect on the 1st day of June, 2012, the date on which the public service business of the said DEMA Gas Company was acquired.  
(Name of Predecessor)

This notice is issued on the 1<sup>st</sup> day of June, 2012, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Dema Gas Company

By Robert Oxford  


**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF KENTUCKY  
PIKEVILLE DIVISION**

**IN RE:**

**RICHARD DOW WILLIAMS  
PAMELA JEAN WILLIAMS**

**CASE NO. 10-70767**

**DEBTORS**

**CHAPTER 7**

**ORDER APPROVING THE SALE OF  
B.T.U. GAS COMPANY, INC. ASSETS  
TO KENTUCKY FRONTIER GAS, LLC**

\*\*\*\*\*

This case having come on for hearing July 12, 2012 at Lexington on Trustee's Motion for Order Approving Sale of B.T.U. Gas Company of Salyersville to Kentucky Frontier Gas, LLC; the Court having heard the representations of the Trustee, having reviewed the record; and, being otherwise sufficiently advised, **HEREBY ORDERS:**

1. The sale of B.T.U. Gas Company, Inc.'s assets to Kentucky Frontier Gas, LLC for \$255,000.00 is approved pursuant to Bankruptcy Code Section 363 as a sale free and clear of liens.
2. Those assets sold are all assets of B.T.U. Gas Company, Inc., including but not limited to, those assets listed in the forms of Bill of Sale and Quitclaim Deed, attached hereto and incorporated herein by reference.
3. James R. Westenhofer, is authorized and directed to conclude the sale on behalf of the herein estate.

*Pursuant to Local Rule 9022-1(c), James R. Westenhoefer, shall cause a copy of this order to be served on each of the parties designated to receive this order pursuant Local Rule 9022-1(a) and shall file with the Court a certificate of service of the order upon such parties within ten (10) days hereof.*

**DISTRIBUTION:**

James R. Westenhoefer, by electronic notice  
U.S. Trustee's Office, 100 E. Vine St., Ste. 500, Lexington, KY 40507  
Richard and Pamela Williams  
Debtor's Attorney  
All creditors and other parties in interest.

THIS QUITCLAIM DEED of conveyance, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and among JAMES R. WESTENHOEFER, TRUSTEE for U.S. BANKRUPTCY COURT, EASTERN DISTRICT of KENTUCKY, PIKEVILLE DIVISION, with mailing address of 212 South Third Street, Richmond, KY 40475 and Kentucky Frontier Gas, LLC, 4891 Independence Street, Wheat Ridge, CO 80033,

**WHEREAS**, the GRANTOR hereto claims ownership and interest in certain rights-of-way and easements in Magoffin County, Kentucky, upon which the GRANTOR has acquired through bankruptcy from BTU Gas Company, Inc. formerly known as and operated as B.T.U. Pipeline, Inc., owned and operated by Richard Dow and Pamela Jean Williams, individually and jointly, of Salyersville, which were acquired over the course of years by virtue of placement and locations of certain natural gas gathering or distribution pipelines; and

**WHEREAS**, the parties herein have entered into an agreement wherein the GRANTOR herein has agreed to sell the assets of GRANTOR James R. Westenhoefer, Trustee to the GRANTEE herein, which includes those certain pipelines lying and running upon those certain rights-of-way and easements more specifically described in the Bill of Sale for Business Assets, executed among the parties on \_\_\_\_\_; and

**WHEREAS**, it is the intention of the parties herein, that by this instrument, all those rights and interests in said rights-of-way and easements are to be transferred to the GRANTEE herein;

**NOW, THEREFORE, WITNESSETH:**

That for and in consideration of the agreement of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the party of the first part, does hereby release, remise and forever quitclaim unto the party of the second part, all of its right, title and interest of the part of the first part in and to all valid and enforceable rightsof-way and easements herein described which are associated with the pipelines depicted on the maps of the GRANTOR and attached as Exhibit A to the Bill of Sale of Assets and any and all other validly executed, legally recognizable and enforceable permits, easements or rights of way, associated with the installation of natural gas facilities for or by the BTU Gas Company, Inc., its predecessor companies, related companies or Richard Dow or Pamela Jean Williams, but specifically excludes any agreements providing free or unlimited gas in exchange for a permit, easement or right of way or any other unenforceable agreement for natural gas service. This conveyance is made without any warranty whatsoever either expressed or implied and is made subject to any and all covenants, restrictions and easements as may appear in any instrument of record in the Office of the Clerk of Magoffin County, Kentucky.

The parties herein hereby declare that this deed is not subject to the excise tax imposed by the Commonwealth of Kentucky upon the transfer of the real property for the reason that said Deed is a quitclaim deed without monetary consideration.

**IN WITNESS WHEREOF**, the party of the first part has hereunto subscribed its signature to this quitclaim deed, or has caused this quitclaim deed to be executed by its duly authorized officer, as of the day, month and year first herein written, such execution may be in counterparts with each executed copy deemed and accepted as an original.

By: James R. Westenhoefer, Trustee  
For U.S. Bankruptcy Court, Eastern District  
KY Pikeville Division

COMMONWEALTH OF KENTUCKY  
COUNTY OF \_\_\_\_\_

Subscribed, sworn to and acknowledged before me this the \_\_\_ day of July, 2012, by James R. Westenhoefer, Trustee for the U.S. Bankruptcy Court, Eastern District of Kentucky, Pikeville Division.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

Notary number: \_\_\_\_\_

**KENTUCKY FRONTIER GAS, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
COUNTY OF \_\_\_\_\_

Subscribed, sworn to and acknowledged before me this the \_\_\_ day of July, 2012, by \_\_\_\_\_ as \_\_\_\_\_ of Kentucky Frontier Gas, LLC, for and on behalf of said company.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

Notary number: \_\_\_\_\_

THIS INSTRUMENT PREPARED BY:

\_\_\_\_\_  
James R. Westenhoefer, Trustee  
U.S. Bankruptcy Court  
Eastern District of Kentucky  
Pikeville Division  
212 South Third Street  
Richmond, KY 40475

**For purposes of compliance with KRS 382.135, the address to which the property tax bill for the year in which the property is transferred may be sent is c/o Kentucky Frontier Gas, LLC, 4891 Independence Street, Wheat Ridge, CO 80033.**

**BILL OF SALE OF BUSINESS ASSETS**

**UNITED STATES BANKRUPTCY COURT, EASTERN DISTRICT of KENTUCKY, PIKEVILLE DIVISION, Seller, transfers to KENTUCKY FRONTIER GAS, LLC, Buyer, full ownership of the assets of the BTU Gas Company, Inc., formerly known as B.T.U. Pipeline, Inc., owned and operated by Richard Dow and Pamela Jean Williams, individually and jointly, Debtors in Case No. 10-70767 TNW. The assets conveyed are the customer and business records, permits, easements, rights of way and all physical assets of the natural gas pipeline gathering and distribution system and associated taps and facilities, service connections and meters, spare parts and tools and specialized equipment, and all other associated facilities of the BTU system as reflected in Exhibit A, attached and made a part of this transaction, all of which are necessary for the continued operation of the natural gas gathering and distribution business of BTU Gas Company, Inc.**

Assets specifically excludes any and all debts, contracts, commitments, liabilities or other obligations, whether known or unknown, accrued or contingent of BTU Gas Company, Inc., its predecessor companies and Richard Dow and Pamela Jean Williams individually, jointly and as owners and operators of those companies.

Seller acknowledges receiving payment in the amount of \$255, 000 on this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
By: James R. Westenhofer, Trustee  
For U.S. Bankruptcy Ct., Eastern District KY  
Pikeville Division

\_\_\_\_\_  
By: Steven Shute, Member-Manager  
For Kentucky Frontier Gas, LLC

ATTACHMENT "B"

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

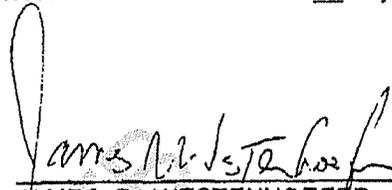
THAT JAMES R. WESTENHOEFER, Trustee in Case No. 10-70767 filed in the United State Bankruptcy Court for the Eastern District of Kentucky, Pikeville Division, (the "Seller") pursuant to that Order entered by the Court on July 12, 2012, for and in consideration of the sum of \$255,000.00, cash in hand paid by KENTUCKY FRONTIER GAS, LLC, a Colorado limited liability company (the "Purchaser"), the receipt of which is hereby acknowledged by Seller, does hereby GRANT, BARGAIN, SELL, TRANSFER and DELIVER unto Purchaser all the Seller's right, title and interest in and to all the assets of the B.T.U. Gas Company, Inc., including but not limited to, the customer and business records, permits, easements, rights of way and all physical assets of the natural gas pipeline gathering and distribution system and associated taps and facilities, service connections and meters, spare parts and tools and specialized equipment, and all other associated facilities of the B.T.U. Gas Company, Inc. system as reflected on Exhibit A, attached and made a part of this transaction, all of which are necessary for the continued operation of the natural gas gathering and distribution business of B.T.U. Gas Company, Inc., but specifically EXCLUDING any and all debts, contracts, commitments, liabilities or other obligations, whether known or unknown, accrued or contingent of B.T.U. Gas Company, Inc., its predecessor companies and Richard Dow and Pamela Jean Williams individually, jointly and as owners and operators of those companies (the "Property").

SELLER warrants that Seller is transferring free and clear title to the Property and that there are no liens against same. All Property being conveyed to Purchaser is

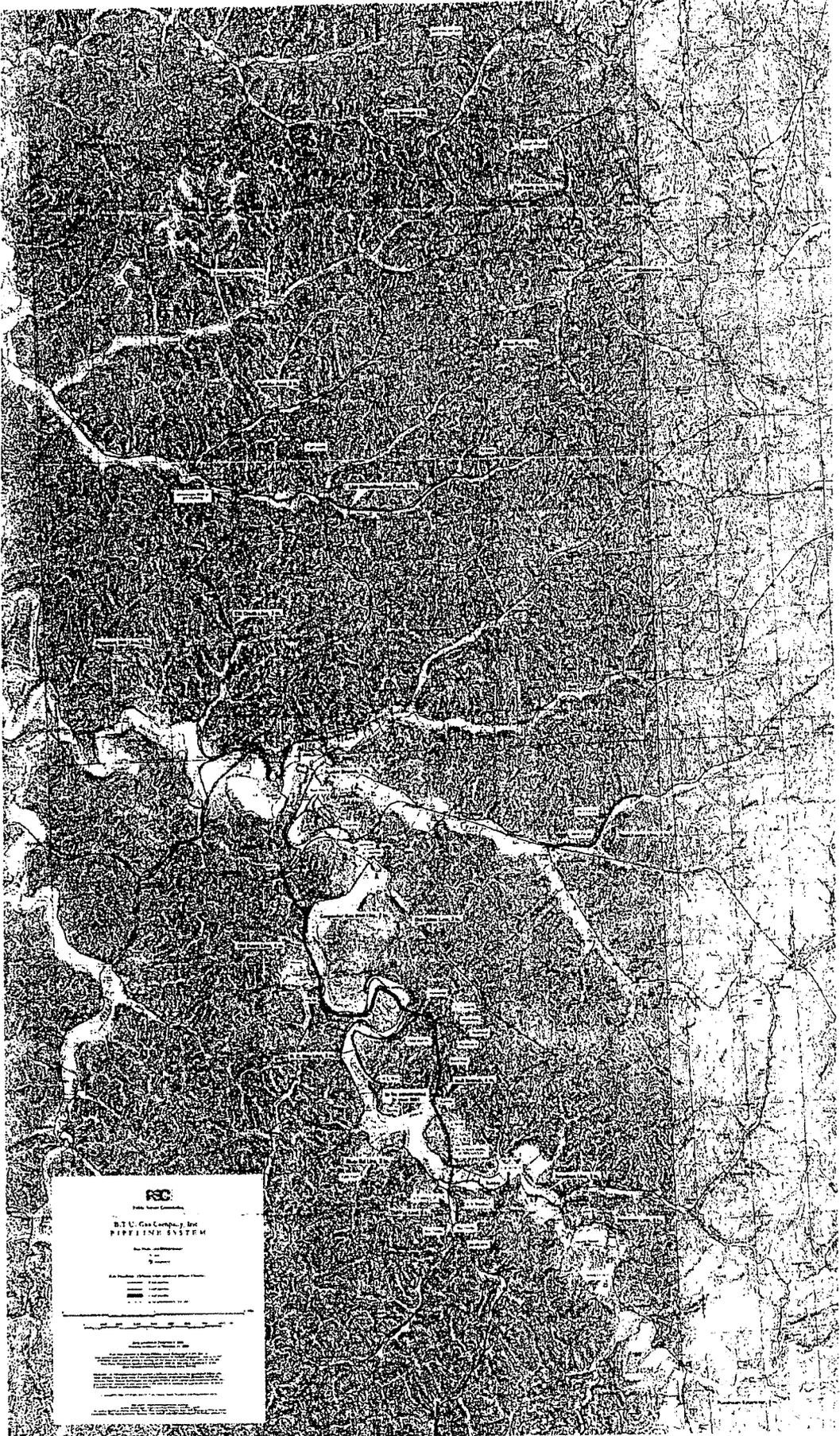
AS IS and without warranty either express or implied. Purchaser shall be entitled to allocate the purchase price at Purchaser's sole discretion.

TO HAVE AND TO HOLD said Property unto the Purchaser, its successors and assigns forever.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale this 13<sup>TH</sup> day of July, 2012.

  
\_\_\_\_\_  
JAMES R. WESTENHOEFER, Trustee  
for the United States Bankruptcy Court  
for the Eastern District of Kentucky,  
Pikeville Division, in Case No. 10-70767

COPY



**B.T.U.**  
Baltimore Gas & Electric Company

**B.T.U. Gas Company, Inc.**  
**PIPELINE SYSTEM**

Map No. 100-100000  
Scale: 1" = 1 Mile

**Legend**

- 1. Main Line
- 2. Branch Line
- 3. Loop Line
- 4. Valve
- 5. Station
- 6. Well
- 7. Pipeline Right-of-Way
- 8. Pipeline Right-of-Way
- 9. Pipeline Right-of-Way
- 10. Pipeline Right-of-Way

**Notes**

1. This map shows the pipeline system of the B.T.U. Gas Company, Inc. as of January 1, 1960.

2. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

3. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

4. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

5. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

6. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

7. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

8. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

9. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

10. The pipeline system is shown as of January 1, 1960, and does not include any pipelines which have been abandoned or which are in the process of being abandoned.

## ATTACHMENT "C"

BTU Gas Company  
Customer List

No.	ACCT	BILL NAME	No.	ACCT	BILL NAME
1	11000010	ONEY*KAY	59	11006600	HOWES*LOGAN AND BRYANNA
2	11000020	PATRICK*CLEO	60	11007700	SALYER*JERRY & SUE
3	11000070	WHITLEY*PHILLIP	61	11007820	ALLEN*DONNA
4	11000200	BAILEY*LADONNA ELAM	62	11008000	BLOOMINGTON UNITED BAPTIST*
5	11000400	CONLEY*JOHNNY	63	11008070	ADAMS*TONY
6	11000600	SALYER*ANTHONY	64	11008080	HELTON*GARY
7	11000680	ISAAC*DOLPHIE	65	11008090	BAILEY*JACKIE
8	11000700	RUSSELL*DONALD AND DEBORAH	66	11008110	BACK*JIM W.
9	11000760	HOWARD*JAMES J.	67	11008200	CALDWELL*JENNY
10	11001000	RECYCLING*MAGOFFIN COUNTY	68	11008250	CALDWELL*JENNY
11	11001100	HACKWORTH*ROGER	69	11008650	PATRICK*ALEX
12	11001400	VANHOOSE*JARED	70	11008700	WHEELER #6*LOWELL
13	11001500	REED*GEORGE	71	11009280	RUSSELL*GLENN
14	11001510	CAUDILL*JIM	72	11009400	POOL*HO .LIE CASEBOLT
15	11001610	GAMBLE*HERBERT	73	11009420	MANN*RANDALL & AMANDA
16	11001780	ARNETT*DWAYNE	74	11009500	CASEBOLT*HOLLIE
17	11001801	LEMASTER*EUGENE	75	11009900	BENTLEY*MICHELLE
18	11001900	RUSSELL*JEFF & TINA	76	11009970	WHITLEY*PHILLIP
19	11002040	ARNETT*BURKE	77	11010000	CORDELL*DAVID
20	11002050	HOWES*CHARLES	78	11010090	DAVIS, JR.*ROBERT
21	11002060	HOWARD*JAMES RUSSELL	79	11010100	CANTRELL*PAULINE
22	11002200	CONLEY*CECIL	80	11010120	SHEPHERD*BILLIE
23	11002250	SALYER*RANDY	81	11010390	HELTON*CLETIS
24	11002310	HELTON*MATTHEW	82	11010410	GIPSON*EDWARD & ASHLEY
25	11002320	HALE*PAUL T.	83	11010550	WHEELER*JODY
26	11002650	SHANNON*JOSEPH	84	11010700	LEMASTER*DEB
27	11002660	LEMASTER*LORETTA	85	11010750	ROBINSON*DEBBI
28	11002700	KILGORE*TINA	86	11010820	ADAMS*DWAYNE
29	11002710	HOWARD*CAROL	87	11010890	WHITAKER*FRANK
30	11002720	WARD*GARRY AND CAROLYN	88	11010900	RISNER*KELLY
31	11002760	HUNLEY*BOBBY J OR BETTY	89	11010910	WHITAKER*BOBBY
32	11002761	MANNS*GARY LEE	90	11011000	HOWARD*LORETTA
33	11002770	BOETTNER*RACHEAL	91	11011280	BRYANT*LINDA
34	11002840	TACKETT*MICHAEL AND ANNETTE	92	11011300	MAY#3*BILL
35	11002870	JENKINS*ANNJENNETT	93	11011900	LEMASTER*HAROLD
36	11002900	SIMPKINS*TOMMY	94	11012000	MONTGOMERY*EDWARD
37	11002930	HENSLEY*EDDITH	95	11012040	JORDAN*JOHNNY
38	11002940	JENKINS*FRANCES	96	11012200	ISAAC*KENNY RAY
39	11003100	SALYER*CLYDE	97	11012300	COLLINS*BILL
40	11003120	ADAMS*LARRY OR WILMA	98	11012320	HOWARD*SOLEN
41	11003140	WATKINS*VALERIE	99	11012400	BRADLEY*DONNIE
42	11003230	RISNER'S GENERAL STORE*	100	11012610	SHEPHERD*MARY
43	11003270	BACK*DARRELL	101	11012710	MAGOFFIN CO MAINTENANCE GARAGE*
44	11003500	HOWARD*LINDA	102	11012720	JOHNSON*BOBBY
45	11003600	RUDD*JAMES MELVIN	103	11012730	CONLEY*JOHNETTA
46	11003740	BLANTON*VICKY	104	11012740	CONNELEY*JOHNETTA
47	11004000	WHEELER*DAVID	105	11012780	SALYER*UNA MAE
48	11004600	WARD*CHARLES AND ALPHA	106	11012820	CONLEY*RYAN
49	11005000	COLDIRON*OLLIE	107	11012830	HOWARD*VICKIE
50	11005070	SALYER TRUCKING, LLC*	108	11012930	HOWARD*CARL
51	11005200	BAILEY*SAM & TERESA	109	11013050	BOLEN*JOHN
52	11005640	RISNER*JOSHUA	110	11013100	STINSON UNITED BAPTIST CHURCH*
53	11006100	MAY JR*HOMER	111	11013110	ISAAC*DANNY
54	11006300	RISNER*SHERRY	112	11013180	HELTON*DELMER OR LINDA
55	11006400	MILLER*KELLY L.	113	11013200	HOWARD*JEWELL
56	11006500	ADAMS*DWAYNE AND STEPHANIE	114	11013210	HOSKINS*MARIETTA
57	11006540	JOHNSON*GENGER	115	11013700	OWENS*JAMES J.
58	11006550	NOBLE*JESSICA	116	11013960	WALLEN*ANTHONY

**BTU Gas Company  
Customer List**

<u>No.</u>	<u>ACCT</u>	<u>BILL NAME</u>	<u>No.</u>	<u>ACCT</u>	<u>BILL NAME</u>
117	11014000	GAMBLE*KERMIT	175	11023800	COFFEE*LARRY
118	11014100	MOUNTAIN COMPREHENSIVE CARE*	176	11023920	STEPHENS*SCOTTY JOE
119	11014170	HOWARD*SHERRY	177	11024310	MONTGOMERY*RAMEY
120	11014180	SALYER*HAROLD KEITH	178	11024370	CONLEY*JOE
121	11015000	NICKELS*CHRISTINE	179	11024540	MAMAW'S GROCERY*
122	11015330	DISTRICT III FIREHALL*	180	11024770	HALL*NANCY LOU
123	11015400	SLONE*JOYCE	181	11024790	WHEELER*FRED
124	11016040	MARSHALL*SIMON	182	11025000	KRONTZ*LINDA
125	11016100	HOWARD*BENJAMIN	183	11025200	MANN*TALMADGE
126	11016290	CONLEY*MARCUS	184	11025360	HALE*VIRGINIA
127	11016300	STAMPER*JIMMY	185	11025370	HOWARD*JOSEPH OR ZELMA
128	11016320	HOWARD*KENNY	186	11025600	ELAM JR*ROGER
129	11016390	CHURCH*COON CREEK UNITED BAPTIST	187	11026000	WIREMAN*O.J.
130	11017100	LOVELY*WILLIAM	188	11026040	MCCARTY*ALLEN AND LISA
131	11017200	HOWARD*VINCIN	189	11026180	CONNELLY*MARY
132	11017300	PERFORMANCE TIRE AND LUBE*	190	11026560	HOWARD*HEARL
133	11017500	WATSON*MARVIN	191	11026800	BLANTON*EVERETT
134	11017600	PLUMMER*TRACEY	192	11027000	MAYS*JEFFREY
135	11017700	COLLINS JR*DANNY	193	11027200	ISON*DAN AND RHONDA
136	11017800	CONLEY*CANDACE	194	11027380	LICKING RIVER BAPTIST PARSONAGE*
137	11017900	BARNETT*ARLIE	195	11027400	OWENS*BARRY E
138	11018000	COLDIRON*WILLIAM	196	11027590	ADAMS*JAMES AND SUSIE
139	11018110	SWINEY*JERRY	197	11027800	DYER*VINT
140	11018150	MARSHALL*KENDRA AND RICKY	198	11027950	WRIGHT*SAMUEL
141	11018220	CONLEY*DOC	199	11028100	HOWARD*WILLIE
142	11018677	GAMBLE*MIKE	200	11028500	PATRICK*HOWARD
143	11018740	CONLEY*J.R.	201	11028900	JENKINS*BUFORD
144	11019300	HOWARD*DUSTIN	202	11029000	ADAMS*BEVERLY
145	11019700	PERKINS*CURTIS	203	11029100	MANN*BRIAN
146	11019730	MILLER*RAY	204	11029460	SLONE*FLARA
147	11019800	HAMILTON*DONNIE	205	11029660	RAMEY*WILLIE
148	11019900	HOWARD*NORMAN	206	11029760	CONLEY*RON
149	11019950	HOWARD*JAMIE	207	11029770	HOWARD*AMANDA
150	11020000	PLUMMER*VIRGIL	208	11030000	ISAAC*KENNY
151	11020020	MONTGOMERY*DONNA	209	11030170	HUNLEY*JR.
152	11020060	BOARD OF EDUCATION*MAGOFFIN CTY	210	11030200	GRACE*JUSTIN
153	11020070	BOARD OF EDUCATION*MAGOFFIN CTY	211	11030201	ROWE JR*ROGER AND TAMARA
154	11020090	JOSEPH*BILLY R	212	11030280	ALLEN*WARNIE
155	11020100	HOWES*MIKE	213	11030610	LEMASTER*ELIZABETH
156	11020110	LIVING WORD CHAPEL*	214	11030770	CANTRELL*ARCHIE
157	11020300	HOWES*GLENN	215	11030800	HOWARD*RONALD E
158	11020500	CANTRELL*ARCHIE	216	11030850	ISAAC*GREG
159	11020560	CANTRELL*SARAH	217	11030860	MONTGOMERY*JOHN
160	11020600	ADAMS*NEDITH M.	218	11030930	HOWARD*DOTTIE
161	11020601	MINIX*AUDRA R	219	11030940	HOWARD*DANNY
162	11020810	GAMBLE*JACK	220	11031000	LEMASTER*BILLY J
163	11021000	HALL*GRETTA	221	11031010	ISAAC #2*WADE
164	11021010	MANN*ROSE ANN	222	11031110	HOLBROOK*CHRISTY
165	11021140	DAVIS*JANET AND HARRY	223	11031540	DYER*BESSIE
166	11021640	ARNETT*KAY	224	11031720	MONTGOMERY*LINDA GAIL
167	11021700	SALYER*JOE DEAN	225	11032000	BLANTON*ROBBIE & KIMBERLY
168	11022000	HALL*ROBERT	226	11032060	SAMUEL LYONS/DELI*
169	11022100	EMMANUEL BAPTIST CHURCH*	227	11032100	HOLBROOK*B.F.
170	11022400	BORDERS*VANZEL	228	11032310	RUSSELL*SHELIA
171	11022600	ARNETT*JACKIE	229	11032490	PHILLIPS*THOMAS
172	11022900	WILLIAMS*HORTENSE	230	11032500	PHIPPS*THOMAS AND BESSIE
173	11023410	MONTGOMERY*RAMEY	231	11032550	PURDUE*KASANDRA
174	11023660	CONLEY*CALVIN	232	11032600	RUSSELL*ALEX

**BTU Gas Company  
Customer List**

<u>No.</u>	<u>ACCT</u>	<u>BILL NAME</u>	<u>No.</u>	<u>ACCT</u>	<u>BILL NAME</u>
233	11032630	SALYERSVILLE FIRST BAPTIST CHURCH*	291	11047990	BARKER*KENNIE
234	11032690	HAMILTON*REVINIA	292	11048000	HOWARD*LETHA
235	11032700	DOBBINS*ANTHONY AND RITA	293	11048020	GARDNER*BEN F
236	11032790	FRANCIS*MICHAEL AND BRONNA*	294	11048120	HOWARD*GUSTER
237	11032800	HOWARD*DOVIE	295	11048210	WARD*ROSE E.
238	11032810	RISNER*ADAM	296	11048300	NORTH MAGOFFIN VFD*
239	11033000	COOPER*JANET	297	11048560	WARD*CHARLES
240	11034000	MORGESON*LINDA	298	11049000	HOWARD*JEFF
241	11034200	GAMBLE*MITCHELL & TESSIE	299	11049900	SHEPHERD*SHIRLEY
242	11034350	MANN*GINA	300	11050000	RUSSELL*HERMAN
243	11035000	ADAMS*CAROLYN	301	11050030	CORLEY*JIM
244	11036000	CARPENTER*LARRY	302	11050040	CANTRELL*DONALD
245	11036050	BAILEY*LORETTA	303	11050200	RUSSELL*ELBERT
246	11036250	WHITT*OPAL	304	11050800	WIREMAN*MAGGIE
247	11037250	PERKINS*DORA	305	11051000	BELCHER*KEN
248	11037480	HOWARD*JAMES R	306	11051200	SAMS*KAY
249	11037670	ELAM*CHRIS	307	11051220	ISAAC*JOE LUTHER
250	11037671	HOWARD JR*JAMES AND TABITHA	308	11051990	FIRST BAPTIST PARSONAGE*
251	11037800	HOWARD*WALLACE	309	11052000	BORDERS*JOSEPHINE
252	11038690	MUSIC*LARRY AND DEBORAH	310	11052020	CANTRELL*FRANCIS
253	11038700	DUCHNOWSKI*TIFFANY AND CODY	311	11052100	SHEPHERD*BILLY AND GWEN
254	11039000	WOODARD*JAMES	312	11052540	SALYER*UNA MAE
255	11039200	GARDNER*DAVID	313	11053000	HOWARD*CHARLIE
256	11039500	RUSSELL*RUIE	314	11053290	EMMANUEL BAPTIST BLDG*
257	11039900	RUSSELL*EMILY G	315	11053890	LYONS GROCERY*
258	11040000	WATSON*LORRIE	316	11054000	CORDELL*DAVID
259	11040100	BAILEY*CHALLIE	317	11054050	LYONS*SAMUEL
260	11040480	DYER*BONNIE	318	11054080	GREEN*KATHY
261	11040540	ELK CREEK FREE WILL BAPT CHURCH*	319	11054100	SALYER*TOMMY AND JUDY
262	11040580	MANN*PHYLLIS	320	11054170	TACKETT & SONS DRILLING CONT. INC*
263	11040610	MAY #2*BILL	321	11054560	BAILEY*SHANA
264	11040620	WILLIAMS*RONALD	322	11054600	WIREMAN*LLOYD
265	11040840	BISHOP*ERIK	323	11054650	HOWARD*ALLISON
266	11040860	CAUDILL*GREG OR TERESA	324	11055200	WHEELER*#4*LOWELL
267	11040900	WARD*GARRETT	325	11055480	SALYER*GERALDINE
268	11041000	SALYER*HAROLD	326	11055490	SALYER*LARRY AND WANDA
269	11041300	ISAAC*HEARL	327	11055500	CARTY*JASON
270	11041400	CARPENTER*JOHNNY	328	11055740	MCCARTY*BETH
271	11041410	JOHNSON*BILLIE	329	11055780	WHITLEY*PHILLIP
272	11041850	SALYER*BONNIE	330	11055810	HOWARD*BRUCE
273	11042750	MURRELL*VIRGINIA	331	11055880	HOWARD*CHARLES E
274	11042830	LEMASTER*JEFF	332	11055920	ARNETT*SHERRIE
275	11043000	HELTON*WILLIAM	333	11056000	WARD*GREGORY
276	11044000	BLANTON*BETTY	334	11056420	FLAT FORK BAPTIST CHURCH*
277	11044020	BOARD OF EDUCATION*	335	11056620	PATRICK*BILL
278	11044500	BETTY'S PIZZA*	336	11056800	CARTY*JOHN
279	11045000	HALL*RODNEY	337	11057050	SALYER*RICK
280	11045500	MONTGOMERY*PAUL	338	11057060	SALYER BODY SHOP*
281	11045800	MAY*BILLY	339	11057220	TACKETT*STELLA
282	11046500	KEITH*DARRELL	340	11057300	BLANTON*OLLIE AND LANA
283	11047400	SLONE*JEFF & DONNA	341	11057400	LYTLE*JERRY & CARLEN
284	11047480	COLE*ARTHUR	342	11058000	BORDERS*JERRY
285	11047490	CAUDILL*TONYA	343	11058600	RUSSELL*BRITTANY
286	11047550	HOWARD*TRAVIS	344	11058700	ARNETT*RANDY
287	11047560	COLLINS*PATRICIA	345	11058750	MAY R.C.*
288	11047640	LEMASTER*SHAWN AND LOIS	346	11058940	HELTON*ROSEMARY
289	11047890	CARTY #4*JOHN	347	11059050	CHEEK*DAN
290	11047910	SMITH*HENRY C	348	11059360	WIREMAN*ROBERT

**BTU Gas Company  
Customer List**

<u>No.</u>	<u>ACCT</u>	<u>BILL NAME</u>	<u>No.</u>	<u>ACCT</u>	<u>BILL NAME</u>
349	11059600	CARTY #2*JOHN	407	11068270	GAMBLE*BILLY
350	11059650	ARNETT*MELISSA	408	11068510	ARNETT*MICHAEL
351	11060120	STEPHENS*CALLIE	409	11069500	BAILEY*MARK
352	11060200	BAILEY*FAYETTA	410	11069510	HOWARD*BARRY
353	11060570	ADAMS*LOUISE	411	11070090	RISNER*RANDY
354	11060590	CONLEY JR*ARLIE AND VICKY	412	11070500	COON CREEK REGULAR PRIMITIVE BAPT
355	11060670	RUSSELL*GARLAND	413	11070600	COOPER*PAM
356	11061000	RIFE*SHIRLEY	414	11070800	PATRICK*GARNETT RUSSELL
357	11061390	ARNETT*WILLIAM	415	11071000	WATSON*MARGIE
358	11061470	HOWARD*DOUGLAS AND CATHERINE	416	11071300	BLANTON*HARM
359	11061500	LOVELY*JANELLE	417	11071500	COMBS*JAMES & MISTY
360	11061850	GILLIAM*JANETT	418	11071840	INGRAM*JUDY
361	11061950	CAUDILL*ED	419	11071900	HOWARD*JEANENE
362	11062000	COLDIRON*KELLY	420	11071920	LEMASTER*GERALDINE
363	11062010	FLETCHER*TAMMY	421	11072000	BAILEY*JANICE
364	11062080	SHEPHERD#2*BILLIE	422	11072700	MANN*LOUIS
365	11062150	HALL*LESLIE	423	11072750	SALYER*PATCHELL AND MISTY
366	11062190	HOWARD*TIMOTHY	424	11073300	MAY #1*BILL
367	11062200	FRAZIER*TONI MANNS	425	11073770	MINIX*DALE AND JACKIE
368	11062700	WILLIAMS*HAROLD	426	11073780	HOWARD*WALLACE
369	11063140	ARNETT*DARRELL	427	11073840	WARD*LORETTA
370	11063300	PATRICK*BURNIS	428	11073910	MCNEW*JAMES CRAIG
371	11063320	GARAGE*HOLLIE CASEBOLT	429	11074000	COLLINGSWORTH, JR*LACY
372	11063330	HOWARD*MARCUS	430	11074800	CONLEY #2*MARCUS
373	11063400	ARNETT*SCOTT	431	11076210	LUNSFORD*JEWEL
374	11063440	HELTON*CHRIS	432	11076230	GAMBLE*SYLVIA
375	11063600	MULLINS*RALPH	433	11076670	RUSSELL*STANLEY
376	11063900	JOSEPH*HERMAN	434	11077300	MCNEW*SAM
377	11064000	HALL*BAZLE	435	11077360	ALLEN*TERRY
378	11064100	JOSEPH*JAMES R	436	11077380	STEPHENS*CHARLES
379	11064700	ARNETT*MORRIS	437	11077400	ROWE*RIGS
380	11064800	FITZPATRICK*GREG	438	11077540	HOWARD*DUSTIN
381	11064840	LICKING RIVER BAPTIST CHURCH*	439	11077640	HOWARD*DUSTIN
382	11065000	CAUDILL*MARCUS	440	11077740	SHADETREE HOUSE*
383	11065050	RISNER*JEFF & BECKY	441	11077840	PEDDLER STORE*
384	11065070	PINE GROVE HOLINESS CHURCH*	442	11077940	ARNETT*JEREMY
385	11065100	RISNER*CHARLOTTE	443	11078720	HAMILTON*RONNIE
386	11065150	BAILEY*NORMAN	444	11079600	HALL*SHIRLEY
387	11065160	LAFONTAINE*LESTER	445	11079740	CONNELLY*RICHARD
388	11065360	AUXIER*ARTHUR	446	11080000	WATSON*SHANNON K.
389	11065410	CARTY#3*JOHN	447	11080230	LAFFERTY*BRYANT AND JESSICA
390	11065510	GAMBLE*DANNY	448	11081000	FIELDS*PAULA
391	11065880	DYER*HERMAN	449	11081020	COFFEY*DONNA
392	11065881	UNITY HARVEST B.C.*	450	11081100	HOWARD*BUDDY
393	11065970	WHITAKER*CHAT	451	11081200	ENGLAND*MARLO
394	11066020	WIREMAN*CARL	452	11081590	WARD*GARRY
395	11066300	CONLEY*DORSEY	453	11081780	GOODMAN*ROBERT
396	11066380	HOWARD*HUBERT	454	11082100	MANN*TOMMY AND WANDA
397	11066410	LOVELY*JEWEL	455	11082200	HOWARD*STEVE
398	11066500	GARDNER*BEN	456	11082300	RUSSELL*DEAN
399	11066990	WHITAKER*CARTER	457	11083080	HUNLEY*ROGER
400	11067000	BENTLEY*THERON	458	11083122	RISNER*LILLIAN
401	11067200	MCNEW #2*JAMES	459	11083420	SALYER*CONRAD AND ETHEL
402	11067530	HEIMLICH*RUEY	460	11083800	WILLIAMS*DENNIS
403	11067531	HOWARD*JEREMIAH	461	11084010	SALYERS*MARCELLA
404	11068000	RISNER*ASHLEY	462	11084110	SALYERS #2*MARCELLA
405	11068100	MANN*LARRY	463	11084580	CONLEY*SAM
406	11068200	BAILEY*DAVE AND JOAN	464	11084680	RYAN*ROBERT

**BTU Gas Company  
Customer List**

<u>No.</u>	<u>ACCT</u>	<u>BILL NAME</u>
465	11085000	CAUDILL*EDMOND
466	11085770	COLE*PHYLLIS
467	11086400	HOWARD*JUDY
468	11086590	HOWARD*GOBLE & BETTY
469	11087250	GAMBLE*CHESTER
470	11087400	ARNETT*DOUGLAS
471	11087450	WIREMAN*JEWELL
472	11087600	BOARD OF EDUCATION*MAGOFFIN CTY
473	11088400	SHEPHERD*BRIAN & KELLY
474	11089600	HOWARD*JIMMY D
475	11090290	WHEELER*FAYE
476	11090500	MCMACKIN*JOHN & NORA
477	11090890	HOWARD*DENZEL AND LINDA
478	11090900	GARCIA*MICHELLE
479	11090930	CRONENBOLD*LARRY
480	11091550	HELTON*DARRELL
481	11092230	FRANCIS*JUDY
482	11092800	HOWARD*SELINA
483	11092940	OWENS*YVONNE
484	11093000	CRAFT*WILMA K.
485	11093100	CANTRELL*MICHAEL AND LETHA
486	11093400	WILLIAMS GARAGE*
487	11093500	WHEELER #7*LOWELL
488	11093740	HARPER*BILL OR TAMMY
489	11093800	WHEELER #2*LOWELL
490	11094500	COOPER*RICKY
491	11094900	CONNELLEY*ROBERT
492	11095100	ISAAC*IRVIN & FANNIE
493	11095450	HENSLEY*PAUL
494	11095500	WHEELER #9*LOWELL
495	11095800	CANTRELL*IRA
496	11095810	WHEELER #10*LOWELL
497	11096000	WATSON*BILLIE
498	11096900	ELK CREEK FREE WILL BAPT CHURCH*
499	11097000	ISAAC*WADE
500	11097100	WHEELER*LOWELL
501	11097200	WHEELER #8*LOWELL
502	11097500	CHURCH*LITTERAL FORK UNITED BAPTIS*
503	11098000	GREENE*BELINDA HOWES
504	11099000	MANNS*LENA
505	11099100	WHEELER #3*LOWELL
506	11099200	WHEELER #5*LOWELL
507	11099370	MINIX*MARVIN
508	11099400	CONLEY*RONALD J.
509	11099410	ARNETT*JERRY
510	11099670	HENSLEY*RONNIE
511	11099740	JUSTICE CENTER*MAGOFFIN COUNTY
512	11099830	OWENS, JR*PROCTOR
513	11099910	CECIL*DON
514	11117110	MCCARTY*HEIDI
515	11120780	BAILEY'S AUTO*
516	11122310	BAILEY'S PAINT SHOP*
517	11123010	BAILEY*DELBERT
518	11136300	HOWARD*ROBIN
519	11136350	LEMASTER*BILLIE
520	11136360	LEMASTER*WAYNE
521	11159780	BAILEY'S SHOP*
522	11166800	SMITH*BILLY

COPY - CTB

THIS QUITCLAIM DEED of conveyance, made and entered into this 13<sup>th</sup> day of July, 2012, by and among JAMES R. WESTENHOEFER, TRUSTEE for U.S. BANKRUPTCY COURT, EASTERN DISTRICT of KENTUCKY, PIKEVILLE DIVISION, with mailing address of 212 South Third Street, Richmond, KY 40475 and Kentucky Frontier Gas, LLC, 4891 Independence Street, Wheat Ridge, CO 80033,

**WHEREAS**, the GRANTOR hereto claims ownership and interest in certain rights-of-way and easements in Magoffin County, Kentucky, upon which the GRANTOR has acquired through bankruptcy from BTU Gas Company, Inc. formerly known as and operated as B.T.U. Pipeline, Inc., owned and operated by Richard Dow and Pamela Jean Williams, individually and jointly, of Salyersville, which were acquired over the course of years by virtue of placement and locations of certain natural gas gathering or distribution pipelines; and

**WHEREAS**, the parties herein have entered into an agreement wherein the GRANTOR herein has agreed to sell the assets of GRANTOR James R. Westenhoef, Trustee to the GRANTEE herein, which includes those certain pipelines lying and running upon those certain rights-of-way and easements more specifically described in the Bill of Sale for Business Assets, executed among the parties on July 13, 2012; and

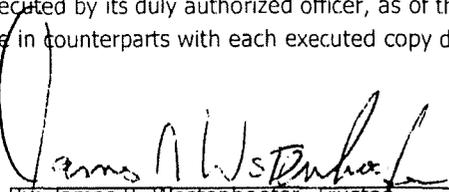
**WHEREAS**, it is the intention of the parties herein, that by this instrument, all those rights and interests in said rights-of-way and easements are to be transferred to the GRANTEE herein;

**NOW, THEREFORE, WITNESSETH:**

That for and in consideration of the agreement of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the party of the first part, does hereby release, remise and forever quitclaim unto the party of the second part, all of its right, title and interest of the part of the first part in and to all valid and enforceable rightsof-way and easements herein described which are associated with the pipelines depicted on the maps of the GRANTOR and attached as Exhibit A to the Bill of Sale of Assets and any and all other validly executed, legally recognizable and enforceable permits, easements or rights of way, associated with the installation of natural gas facilities for or by the BTU Gas Company, Inc., its predecessor companies, related companies or Richard Dow or Pamela Jean Williams, but specifically excludes any agreements providing free or unlimited gas in exchange for a permit, easement or right of way or any other unenforceable agreement for natural gas service. This conveyance is made without any warranty whatsoever either expressed or implied and is made subject to any and all covenants, restrictions and easements as may appear in any instrument of record in the Office of the Clerk of Magoffin County, Kentucky.

The parties herein hereby declare that this deed is not subject to the excise tax imposed by the Commonwealth of Kentucky upon the transfer of the real property for the reason that said Deed is a quitclaim deed without monetary consideration.

**IN WITNESS WHEREOF**, the party of the first part has hereunto subscribed its signature to this quitclaim deed, or has caused this quitclaim deed to be executed by its duly authorized officer, as of the day, month and year first herein written, such execution may be in counterparts with each executed copy deemed and accepted as an original.

  
By: James R. Westenhoef, Trustee  
For U.S. Bankruptcy Court, Eastern District  
KY Pikeville Division

COMMONWEALTH OF KENTUCKY  
COUNTY OF Pike

Subscribed, sworn to and acknowledged before me this the 13<sup>th</sup> day of July, 2012, by James R. Westenhofer, Trustee for the U.S. Bankruptcy Court, Eastern District of Kentucky, Pikeville Division.

My commission expires: March 21, 2016

Handwritten Signature  
NOTARY PUBLIC

Notary number: \_\_\_\_\_

**KENTUCKY FRONTIER GAS, LLC**

By: Handwritten Signature

Its: STEVEN SHUTE, MEMBER-MANAGER

COMMONWEALTH OF KENTUCKY  
COUNTY OF Pike

Subscribed, sworn to and acknowledged before me this the 13<sup>th</sup> day of July, 2012, by Steven Shute as Member-Manager of Kentucky Frontier Gas, LLC, for and on behalf of said company.

My commission expires: March 21, 2016

Handwritten Signature  
NOTARY PUBLIC

Notary number: \_\_\_\_\_

THIS INSTRUMENT PREPARED BY:

Handwritten Signature

James R. Westenhofer, Trustee  
U.S. Bankruptcy Court  
Eastern District of Kentucky  
Pikeville Division  
212 South Third Street  
Richmond, KY 40475

**For purposes of compliance with KRS 382.135, the address to which the property tax bill for the year in which the property is transferred may be sent is c/o Kentucky Frontier Gas, LLC, 4891 Independence Street, Wheat Ridge, CO 80033.**

60100618146.3



U.S. Small Business Administration

NOTE

SBA Loan #	GP 52694150-02
SBA Loan Name	Kentucky Frontier Gas, LLC
Date	July 21, 2012
Loan Amount	Two Hundred Thirty-Seven Thousand and 00/100 Dollars (\$237,000.00)
Interest Rate	5.00% Fixed for 5 years, then converting to "Prime Rate" (as defined below) + 1.75%
Borrower	Kentucky Frontier Gas, LLC, a Colorado limited liability company
Operating Company	Not applicable
Lender	Community Trust Bank, Inc., a Kentucky banking corporation

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of  
Two Hundred Thirty-Seven Thousand and 00/100 Dollars Dollars,  
interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

"Collateral" means any property taken as security for payment of this Note or any guarantee of this Note.

"Guarantor" means each person or entity that signs a guarantee of payment of this Note.

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

The initial interest rate is 5.00% per year for 5 years. This initial rate is the Prime Rate in effect on the first business day of the month in which SBA received the loan application, plus 1.75%. The interest rate on this Note will then begin to fluctuate as described below. The initial interest rate must remain in effect until the first change period begins unless reduced in accordance with SOP 50 10.

Borrower must pay principal and interest payments of \$1,883.00 every month, beginning one month from the month this Note is dated; payments must be made on the 21 calendar day in the months they are due.

Lender will apply each installment payment first to pay interest accrued to the day Lender receives the payment, then to bring principal current, then to pay any late fees, and will apply any remaining balance to reduce principal.

The interest rate will be adjusted monthly (the "change period").

The "Prime Rate" is the Prime Rate in effect on the first business day of the month (as published in the Wall Street Journal newspaper) in which SBA received the application, or any interest rate change occurs. Base Rates will be rounded to two decimal places with .004 being rounded down and .005 being rounded up.

The adjusted interest rate will be 1.75% above the Prime Rate. Lender will adjust the interest rate on the first calendar day of each change period. The change in interest rate is effective on that day whether or not Lender gives Borrower notice of the change.

The spread as identified in the Note may not be changed during the life of the Loan without the written agreement of the Borrower.

For variable rate loans, the interest rate adjustment period may not be changed without the written consent of the Borrower.

Lender must adjust the payment amount at least annually as needed to amortize principal over the remaining term of the Note.

If SBA purchases the guaranteed portion of the unpaid principal balance, the interest rate becomes fixed at the rate in effect at the time of the earliest uncured payment default. If there is no uncured payment default, the rate becomes fixed at the rate in effect at the time of purchase.

**Loan Prepayment:**

Notwithstanding any provision in this Note to the contrary:

Borrower may prepay this Note. Borrower may prepay 20 percent or less of the unpaid principal balance at anytime without notice.

If Borrower prepays more than 20 percent and the Loan has been sold on the secondary market, Borrower must: a. Give Lender written notice; b. Pay all accrued interest; and c. If the prepayment is received less than 21 days from the date Lender receives the notice, pay an amount equal to 21 days' interest from the date lender receives the notice, less any interest accrued during the 21 days and paid under subparagraph b., above.

If Borrower does not prepay within 30 days from the date Lender receives the notice, Borrower must give Lender a new notice.

**Subsidy Recoupment Fee.** When in any one of the first three years from the date of initial disbursement Borrower voluntarily prepays more than 25% of the outstanding principal balance of the loan, Borrower must pay to Lender on behalf of SBA a prepayment fee for that year as follows: a. During the first year after the date of initial disbursement, 5% of the total prepayment amount; b. During the second year after the date of initial disbursement, 3% of the total prepayment amount; and c. During the third year after the date of initial disbursement, 1% of the total prepayment amount.

All remaining principal and accrued interest is due and payable 15 years from date of Note.

**Late Charges:** If a payment on this Note is more than 10 days later, Lender may charge Borrower a late fee of up to 5.00% of the unpaid portion of the regularly scheduled payment.

4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

10. STATE-SPECIFIC PROVISIONS:

The obligations of each Borrower hereunder are joint and several.

Each Borrower acknowledges that this Note evidences a loan made primarily for business, commercial or agricultural purposes and not primarily for personal, family or household purposes.

All agreements herein made are expressly limited so that in no event whatsoever, whether by reason of advancement of proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the interest and loan charges agreed to be paid to Lender for the use of the money advanced or to be advanced hereunder exceed the maximum amount collectible under applicable laws in effect from time to time. If for any reason whatsoever the interest or loan charges paid or contracted to be paid in respect of the indebtedness evidenced hereby shall exceed the maximum amounts collectible under applicable laws in effect from time to time, then, ipso facto, the obligation to pay such interest and/or loan charges shall be reduced to the maximum amounts collectible under applicable laws in effect from time to time, and any amounts collected by Lender that exceed such maximum amounts shall be applied to the reduction of the principal balance remaining unpaid hereunder, and if such amounts exceed the principal balance then due hereunder, such amounts shall be refunded to Borrower so that at no time shall the interest or loan charges paid or payable in respect of the indebtedness evidenced hereby exceed the maximum amounts permitted from time to time by applicable law. This provision shall control every other provision in any and all other agreements and instruments now existing or hereafter arising between Borrower and Lender with respect to the indebtedness evidenced hereby.

If at any time all or any part of any payment or transfer of any kind received by Lender with respect to all or any part of this Note is repaid, set aside or invalidated by reason of any judgment, decree or order of any court or administrative body, or by reason of any agreement, settlement or compromise of any claim made at any time with respect to the repayment, recovery, setting aside or invalidation of all or any part of such payment or transfer, Borrower's obligations under this Note will continue (and/or be reinstated) and Borrower will be and remain liable, and will indemnify, defend and hold harmless Lender for, the amount or amounts so repaid, recovered, set aside or invalidated and all other claims, demands, liabilities, judgments, losses, damages, costs and expenses incurred in connection therewith. The provisions of this Section will be and remain effective notwithstanding any contrary action which may have been taken by Borrower in reliance upon such payment or transfer, and any such contrary action so taken will be without prejudice to Lender's rights hereunder and will be deemed to have been conditioned upon such payment or transfer having become final and irrevocable. The provisions of this Section will survive any termination, cancellation or discharge of this Note.

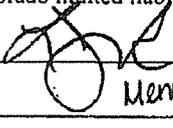
11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

KENTUCKY FRONTIER GAS, LLC,  
a Colorado limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

  
Member - Manager

COPY - CTB

## LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made July 21, 2012, between the Borrower and Lender identified in the attached Authorization issued by the U.S. Small Business Administration ("SBA") to Lender dated June 18, 2012, SBA Loan Number GP 52694150-02 ("Authorization").

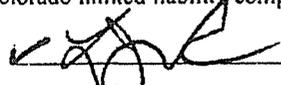
SBA has authorized a guaranty of a loan from Lender to Borrower for the amount and under the terms stated in the attached Authorization (the "Loan").

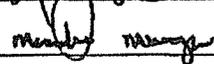
In consideration of the promises in this Agreement and for other good and valuable consideration, Borrower and Lender agree as follows:

1. Subject to the terms and conditions of the Authorization and SBA's Participating Lender Rules as defined in the Guarantee Agreement between Lender and SBA, Lender agrees to make the Loan if Borrower complies with the following "Borrower Requirements". Borrower must:
  - a. Provide Lender with all certifications, documents or other information Lender is required by the Authorization to obtain from the Borrower or any third party;
  - b. Execute a note and any other documents required by Lender; and
  - c. Do everything necessary for Lender to comply with the terms and conditions of the Authorization.
2. The terms and conditions of this Agreement:
  - a. Are binding on Borrower and Lender and their successors and assigns;and
  - b. Will remain in effect after the closing of the Loan.
3. Failure to abide by any of the Borrower Requirements will constitute an event of default under the note and other loan documents

Borrower:

KENTUCKY FRONTIER GAS, LLC,  
a Colorado limited liability company

By:  \_\_\_\_\_

Its:  \_\_\_\_\_

Lender:

COMMUNITY TRUST BANK, INC.,  
a Kentucky banking corporation

By: Stephen Baker

Its: SVP

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